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SUBJECT: BRASILIA HUB PROPOSAL FOR FY 06 AGRICULTURAL BIOTECH
PROJECT

Sector Assessment

¶1. Despite the approval of Brazil's Biosafety Law (#11,105 in March 24, 2005), followed by the signing of Presidential Decree (#5,591 on November 22, 2005), which implemented the new law, agricultural biotechnology continues to be a difficult issue in Brazil. Government agencies and consumer groups are divided on how to approach, conduct research, and approve commercial applications for biotech products.

¶2. Meanwhile, Brazil had significant growth in biotech soybean acreage in 2005, estimated at 10 million hectares, or an increase of nearly 90 percent over 2004. Brazil is now considered the third largest country in biotech crop area, after the United States and Argentina. The next major step regarding the development of biotech crops in Brazil will be the approval for commercial applications of biotech cotton and corn. The Brazilian press carries frequent reports that illegal planting of these two-biotech crops is increasing.

¶3. The recent nomination and selection of the representatives of the National Technical Commission on Bio-safety (CTNBio, the Brazilian government commission charged with approving applications for biotech products) offers the USG an opportunity to encourage adoption of fair and science based policies and practices for biotechnology.

Past Performance and Long -Term Strategy

¶4. Three years ago, the U.S. Embassy, Brasilia supported a program that sent several Congressional representatives from the Agricultural Committee of Brazil's House of Representatives, accompanied by other government officials and consumer and NGO groups. The Monsanto Company provided logistical support in the United States. The group came back motivated and supportive of U.S. policy during the period when the Brazilian Congress was debating the draft bill of Brazil's new biosafety law. Unfortunately, a good deal of negative press attention followed, mostly from groups opposed to agricultural biotech, such as Brazil's Greenpeace office.

¶5. To improve the prospects for a successful follow-up project, the U.S. Embassy, Brasilia supports a study tour program in the United States made up of Brazilians both supportive and critical of agricultural biotechnology and food labeling that would be received by organizations similarly diverse in the United States. These individuals would be chosen from organizations that have an impact on national policy and decision-making and public opinion. The long-term goal is to move these groups towards acceptance of the

U.S. Government regulatory system.

Proposed Activities

¶6. U. S. Embassy, Brasilia proposes the organization of the following activities for two different groups of individuals to visit the United States at different times. The first group would consist of individuals from the Brazilian Farm Bureau (CNA), representing Brazilian farmers, industry and consumer groups, Congressional staffers, selected Brazilian based NGOs, and media. The second group would include government representatives from major regulatory agencies related to agricultural biotech, including CTNBio, the Ministry of Agriculture, the Ministry of Environment, the Ministry of Health, and Brazil CODEX office.

¶7. Point of Contact (POC): James Story (Storyjb@state.gov)

Activity #1

A) Estimated Cost: US \$ 40,000

B) Target Audience: This activity would involve collaboration with the Brazilian Farm Bureau (CAN), the Brazilian Food Industry Association (ABIA), the Brazilian Consumer Group (IDEC), two Congressional Staff Offices in Brasilia, and three media groups to identify a total of 10 individuals.

C) Agricultural Biotech Issues: This activity is designed primarily to introduce participants to the US regulatory system related to agricultural biotechnology. It would present the U.S. Government

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process for biotech and how its different agencies (USDA, FDA, EPA) ensure that biotech products are safe for agriculture, the environment, and consumers. It should also include issues related to labeling of agricultural products. This activity would also include a two-day visit to Chicago to participate in the Annual Bio 2006, April 10-11, 2006.

D) US Government Objectives: The purpose of this activity is to counter anti-biotechnology rhetoric in the local media and among consumer/industry groups, as well as to build consumer confidence in new technologies by improving public dialogue in Brazil. This activity would also meet USG policy objectives for fostering more balanced media statements, and bringing interest groups into technical discussions based on sound science, rather than ideology or emotional appeals, and by improving the business environment for agricultural biotech trade.

E) Proposed Length of Activity: This activity will be developed for a total duration of 8 days, including visits to Washington, D.C.; (to cover all major USG agencies, consumer and industry groups); one major biotech company, and two days in Chicago to participate in the Bio 2006 (April 10-11, 2006), which will have agriculture biotech as the spotlight of the this important trade show.

Activity # 2

¶A. Estimated Cost: US \$ 24,000

¶B. Target Audience: This activity is designed for government officials from different Brazilian government agencies, such as EMBRAPA (Ministry of Agriculture), ANVISA (Ministry of Health), IBAMA (Ministry of the Environment), CTNBio, and other government representatives involved with CODEX and the Cartagena Protocol on Biosafety. A total of 6 individuals are envisaged for this activity.

¶C. Agricultural Biotechnology Issues: This activity is designed primarily to introduce government officials to the US regulatory

system related to agricultural biotechnology, but specifically to those agenda items involving USG discussions in international forums, such as the Cartagena Protocol on Biosafety and Codex Alimentarius, including the Committee on Food Labeling and the Biotech Task Force. This activity should include research and development (R&D) discussions, both with private and government officials, and academia related to the overall advantages of biotechnology to consumers and the environment. Visits to one or two producers and/or agricultural cooperatives would expose Brazilian officials to the economic advantages of the use of biotech products. This team should also learn about the advantages and challenges of animal biotechnology.

D. US Government Objectives: This activity would build on the objective of bringing support to USG positions in international fora, mostly related to the World Trade Organization. This activity would reinforce adoption of science based trade and regulatory policies in Brazil and would present the US Government regulatory system as transparent, predictable, open to public comment, and based on sound science.

E. Proposed Length of Activity: This activity will be developed for a total duration of 7 days, including activities mostly in/or around Washington, D.C. The appropriate time for this activity would be around May/June 2006.

F. Post Responsible Office (POC): James Story

Activity #3

Informal follow-up activities for both groups to debrief participants and generate further support for the USG position. These activities would also serve to further strengthen relationships between the USG and the participants in this program. The estimated cost for two follow-up activities is US \$ 2000 total. POC is James Story.

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